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**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

CCA Construction, Inc.,¹

Debtor.

Chapter 11

Case No. 24-22548 (CMG)

**REPLY TO LIMITED OBJECTION AND RESERVATION OF RIGHTS OF
BML PROPERTIES, LTD. TO DEBTOR'S MOTION FOR ENTRY OF AN
ORDER AUTHORIZING THE DEBTOR TO EMPLOY AND COMPENSATE
PROFESSIONALS UTILIZED IN THE ORDINARY COURSE OF BUSINESS**

The above-captioned debtor and debtor in possession, CCA Construction, Inc. (“CCA” or the “Debtor”), respectfully submits the following reply (the “**Reply**”) to the *Limited Objection and Reservation of Rights of BML Properties, Ltd. to Debtor's Motion*

¹ The last four digits of the Debtor's federal tax identification number are 4862. The Debtor's service address for the purposes of this chapter 11 case is 445 South Street, Suite 310, Morristown, NJ 07960.

for Entry of an Order Authorizing the Debtor to Employ and Compensate Professionals Utilized in the Ordinary Course of Business (the “**Limited Objection**”), filed on February 7, 2025 by BML Properties, Ltd. (“**BMLP**”) [Docket No. 127].

1. CCA acknowledges (albeit with some surprise) the Limited Objection to the *Debtor’s Motion for Entry of an Order Authorizing the Debtor to Employ and Compensate Professionals Utilized in the Ordinary Course of Business* (the “**Motion**”), filed on January 9, 2025 [Docket No. 72]. Since the Motion was filed, BMLP has found time to serve 37 document requests, six deposition notices, Rule 2004 requests on 76 parties, demand and review more than 18,000 pages of documents, seek three “emergency” telephonic conferences with this Court and send dozens of emails to Debevoise attorneys demanding the production of additional documents, but apparently could not pick up the phone or send an email to Debevoise or Cole Schotz to ask for an answer to its questions about the retention of CBIZ Marks Paneth, LLC (“**CBIZ**”).

2. Now that the objection is filed, CCA notes for the record that the responses to BMLP’s questions are as follows:

- a. CCA has retained CBIZ for both tax services and audit services over the last several years. In November 2022, CBIZ was retained to provide professional tax return preparation services to CCA for the year ended December 31, 2022. CBIZ was then rehired in May 2024 to continue providing tax return preparation services to CCA for the year ended December 31, 2023. On the audit side, CBIZ was

retained in May 2023 to audit CCA's financial statements as of December 31, 2022, and for the year then ended. In addition to these engagements, CBIZ has also provided tax and accounting services for other affiliates of CCA.

- b. The proposed \$300,000 included in the Motion is *not* a reoccurring monthly expense. It is the estimated remaining balance owed to CBIZ for its ongoing audit work for 2022 and for its tax preparation work for 2023. CCA expects these payments will be made in at least two installments, one for audit services and one for tax preparation services, as those services are billed separately. However, it is possible that CBIZ's remaining balance will be paid in further installments depending on the timing of CBIZ's progress and when it chooses to send invoices. CCA is currently reviewing the invoice for the 2023 tax services. For the avoidance of doubt, though, the aggregate remaining payments for these services are estimated to be \$300,000, whether or not paid in smaller installments.
- c. The approximately \$300,000 on account of the services described above will be allocated among the participants of the Shared Services Program. As has been done in prior years, this allocation will occur after the end of 2025.
- d. BMLP expressed curiosity about the difference in payment levels to CBIZ on account of tax services in 2023 and 2024. The variance

does not arise due to a significant change in the cost of the underlying services, but rather is a timing variance based on when progress payments were invoiced and paid.

- e. In the Motion, CCA seeks to retain CBIZ for its continuing work on the 2022 audit and the 2023 tax returns. CCA had anticipated that the 2022 audit work would be completed by now, but CBIZ has yet to complete its work. CCA has not contracted with CBIZ for audit services related to its 2023 financial statements. CBIZ also is not preparing 2024 tax returns nor is it auditing any 2024 financial statements for CCA. If CCA chooses to hire CBIZ for any of these or other services in the future, that would be beyond the scope of the relief requested in the Motion, and CCA would seek additional court approval as appropriate in the future.

3. CCA reiterates the relief requested in the Motion. Should BMLP have any further questions, CCA hopes that they will contact Debtor's counsel in an effort to address them consensually and without the need for more motion practice.

[Remainder of page intentionally left blank]

Dated: February 12, 2025

/s/ Michael D. Sirota

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